

**SOUTH CAROLINA  
PROCUREMENT REVIEW PANEL  
COLUMBIA, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**JUNE 30, 2018**



## Independent Accountant's Report on Applying Agreed-Upon Procedures

March 29, 2019

Mr. C. Brian McLane, Sr., Chairman  
South Carolina Procurement Review Panel  
1205 Pendleton Street  
Edgar Brown Building, Suite 367

We have performed the procedures described in Attachment 1, which were agreed to by the management of the South Carolina Procurement Review Panel (the Panel), on the systems, processes and behaviors related to financial activity of the Panel for the fiscal year ended June 30, 2018. The Panel's management is responsible for the systems, processes and behaviors related to financial activity. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment 1 either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes and behaviors related to financial activity of the Panel. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The concept of materiality does not apply to findings to be reported in an agreed-upon procedures engagement. Therefore, all findings from the application of the agreed-upon procedures must be reported unless the definition of materiality is agreed to by the specified parties. Management of the Panel has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Upon Procedures:

- Errors of less than \$1,000 related to cash receipts and non-payroll cash disbursements transactions.
- Errors of less than \$1,000 related to reporting packages.

This report is intended solely for the information and use of the management of the Panel and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

George L. Kennedy, III, CPA  
State Auditor

**South Carolina Office of the State Auditor  
Agreed-Upon Procedures Related to South Carolina Procurement Review Panel (S60)**

**Cash Receipts/Revenues**

1. Compare current year revenues at the subfund and account level from sources other than State General Fund appropriations to those of the prior year. Obtain from management an understanding of variations over \$1,000 and 10%.

We found no exceptions as a result of the procedure.

**Cash Disbursements/Non-Payroll Expenditures**

2. Compare current year non-payroll expenditures at the subfund and account level to those of the prior year. Obtain from management an understanding of variations over \$4,000 and 10%.
3. Haphazardly select fifteen non-payroll disbursements and inspect supporting documentation to determine:
  - Transaction is properly completed as required by Panel procedures; invoice(s) agree(s) with general ledger as to vendor, amount, number, and date.
  - All supporting documents and approvals required by Panel procedures are present and agree with the invoice.
  - The transaction is a bona fide expenditure of the Panel.
  - The transaction is properly classified in the general ledger.
  - Disbursement complied with applicable State laws, rules, and regulations including the State Consolidated Procurement Code, state travel regulations etc.
  - Determine that disbursements are recorded in the proper fiscal year.
  - Clerical accuracy / confirm proper sales/use tax.

We found no exceptions as a result of the procedures.

**Payroll**

4. Compute the percentage distribution of fringe benefit expenditures by fund source and compare to the actual distribution of recorded personal service expenditures by fund source. Obtain an explanation of variations greater than 10%.
5. Compare the percentage change in personal service expenditures between the current year and prior year to the percentage change in employer contributions expenditures between the current year and prior year. Obtain an explanation of changes greater than 10%.

We found no exceptions as a result of the procedures.

**Reporting Packages**

6. Obtain copies of fiscal year end reporting packages submitted to the Office of the State Comptroller General (CG). Inspect the Master Reporting Package Checklist to determine the appropriate reporting packages were prepared and submitted by the due date established by the CG's Reporting Policies and Procedures Manual.

## Reporting Packages (Continued)

7. In addition to the procedure above, perform the following:

- **Litigation Reporting Package**

Determine if the Panel had approval from the Attorney General's Office to hire attorneys and to ensure proper coding of legal and attorney payments based on inspection of the South Carolina Enterprise Information System (SCEIS) general ledger and the Yearend Rptg – Litigation Expense report. Determine proper approval, amounts charged within approved limits, and proper service date range for each transaction.

- **Subsequent Events Questionnaire**

Determine if responses are reasonable/accurate and any required supplemental information was properly prepared and submitted based on inspection of the SCEIS general ledger and/or Panel prepared records. Compare the annual leave, holiday leave, and compensation time balances for each employee from the CG's compensated absence report to the June 30, 2018 balances in SCEIS to determine if the Panel had any unreported late submissions of leave.

### **Finding:**

**Late Submission of Reporting Package** - During our inspection of the Comptroller General's reporting package control log, we observed the subsequent events questionnaire was due on 10/22/18. However, the Panel submitted the reporting package on 10/23/18.

### **Management's Response:**

The administrative coordinator will strive to submit all reports in a timely manner, in accordance with established deadlines.

### **Governance, Risk and Compliance (GRC) SCEIS Module**

8. Inspect all eight controls identified through the SCEIS GRC system that were in place during fiscal year 2018 and inspect mitigating control documentation. Confirm with management the controls are operating as designed.

We found no exceptions as a result of the procedure.

### **Appropriation Act**

9. Inspect the Appropriation Act work program, provided to and completed by management, confirming areas of noncompliance, if any.

10. Confirm compliance with the Panel-specific state proviso by inquiring with management and observing supporting documentation, where applicable.

We found no exceptions as a result of the procedures.

## **Status of Prior Findings**

11. Through inquiry and inspection, determine if the Panel has taken appropriate corrective action on the findings reported during the engagement for the prior fiscal year.

We found no exceptions as a result of the procedure.